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Katie S. Mulholland, Marion
Hannah M. Walsh, Spirit Lake

Robert Donley, Executive Director

January 10, 2013

Michael E. Marshall Secretary of the Senate State Capitol Building Des Moines IA 50319 Charles Smithson Chief Clerk of the House State Capitol Building Des Moines IA 50319

Re: Beginning Farmer Center – Annual Report FY 2012

Dear Members of the Iowa General Assembly:

Pursuant to <u>lowa Code</u> Chapter 266.39E, enclosed is the annual report on the Beginning Farmer Center at lowa State University.

If there are any questions concerning this report, please do not hesitate to contact us.

Sincerely,

Robert Donley

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cc: Robin Madison, LSA
Legislative Liaisons
Legislative Log

Beginning Farmer Center

ISU Extension and Outreach to Agriculture and Natural Resources College of Agriculture and Life Sciences

Resources to help our next generation of farmers

Objectives •

The Beginning Farmer Center was established at Iowa State University (ISU) by the 1994 Iowa General Assembly. Objectives of the Center include:

- coordinating educational programs and services for beginning farmers,
- · assessing needs of beginning and retiring farmers to identify opportunities for programs and services, and
- developing statewide programs to educate beginning and retiring farm families.

Organization

The Center is a joint effort of the ISU College of Agriculture and Life Sciences and ISU Extension and Outreach, which deliver the Center's programs and activities. In July 2012, the founding director of the Center, Dr. Mike Duffy, stepped down, with the directorship passing to the Associate Dean and Director of Agriculture and Natural Resources Extension, Dr. John Lawrence. The Center's administrator is the attorney for the Iowa Concern Hotline. A full-time farm transition specialist and eight associates throughout the state provide services on an as-needed basis. In July, the ISU Small Farms Program specialist joined the Center to improve cooperation and service for beginning farmers that are starting on a small scale or speciality enterprises such as fruit and vegetable production.

Major Activities =

FarmOn

The FarmOn program facilitates the introduction of retiring farmers to young people who want to get started in agriculture. Individuals register with the Center and their information is managed in a computer database. The Center's transition specialist works to find interested parties and facilitates initial discussions. Currently the Center has active files for 617 beginning farmers and 24 retiring farmers. During 2012 there were approximately 810 calls regarding beginning farmer programs and 180 calls from retiring farmers. In 2012 the Center facilitated four matches. The Center works closely with ISU Extension and Outreach staff and external partners and stakeholders to identify the needs of beginning and exiting farmers and to better coordinate and leverage resources to address the needs. Staff develops and delivers educational programming, and continually works to understand and address farmer motivations for not retiring or transitioning the farming operation to the next generation. This is one of the major problems faced by the FarmOn program.

Ag Link

Ag Link is a four-day seminar for college juniors and seniors who plan to join family farm operations after graduation. Family members and others involved the operation also attend the seminar. Topics include conflict resolution, goal setting, determining values, business analysis, farm planning and management. The Center worked closely with the area Extension and Outreach staff to present a series of programs throughout the state. In 2012, eight business succession seminars were attended by 35 families totaling 131 individuals. Four students registered to expand their work for Ag Link and earned two hours of independent study credit. The Center has worked with Kirkwood Community College to provide farm business succession seminars for its students and with Farm Credit Services to provide farm business succession seminars throughout the state. The Center's educational efforts are available to both family and nonfamily successors.

Individual Farm Analysis

The Center provides succession facilitation, farm visits and, in some cases, individual financial analysis of existing farm situations. During 2012 the Center conducted 25 farm visits reaching approximately 80 individuals.

Beginning Farmer Network

The transition specialist serves as a faculty advisor for an ISU student organization, the Beginning Farmer Network. Students in the organization are interested in entering farming. The Network sponsored its seventh annual conference in 2012, attracting 78 people.

Center Review

In 2011, an external review committee provided the Center with 12 recommendations. The Center has used the recommendations to develop a strategic plan for the future.





Outreach Activities

Presentations were made to commodity groups, attorneys, farmers, government officials and others interested in beginning and retiring farmer issues. In addition, the Center's staff spoke at numerous conferences nationally and internationally.

The Center helped cosponsor several conferences including the Beginning Farmer Network conference at ISU, the ISU Student Veteran-to-Farmer Conference and the Drake Law Center's Young Farmers Conference. The Center helped develop and presented at the Urban/Ag Academy, a conference designed to help urban legislators better understand agriculture.

The administrator serves as chair of the International Farm Transition Network, consisting of state, university and private organizations that help beginning farmers. This network allows groups to share ideas and materials and avoid duplication of efforts. It also has established standards and provides certification for professionals working in farm transitions and has certified 24 individuals as farm succession coordinators.

The administrator is developing farm business succession education materials for producers eligible for USDA Technical Adjustment Assistance.

The Center continues to upgrade its website and is exploring opportunities to provide space for colloraborating organizations. Visit the site at: http://www.extension.iastate.edu/bfc/.

Research Activities

In 2012 the Center co-led a larger ISU beginning farmer grant project. A working group of concerned and involved stakeholders is developing curricula and tools to better educate people on succession planning and to increase communication and coordination across Iowa on farm transition issues. Center staff also participate in other grants related to beginning farmer issues.

Leveraging the Advantages '

The Beginning Farmer Center and the FarmOn Program are among the first in the nation to address the critical issue of future caretakers of farmland and successful ways to transfer operations to succeeding generations. The Center works closely with the Drake University Agricultural Law Center, providing speakers and materials. The Center also employs law students part-time as back-up for the administrator. The Center works in conjunction with ISU Extension and Outreach field staff to offer materials, speakers and financial support for programs to help beginning and exiting farmers. The Center provides speakers and materials for the Iowa Bar Association and works closely on programs with several ISU academic departments and centers, including the Extension Farm Management Team and the Center for Agricultural Law and Taxation.

Future Activities •

Rapid increases in land values and rents have made access to land especially difficult for beginning farmers. This makes long-term planning especially critical. The Center encourages beginning farmers to realistically assess their viable options and alternatives. Two potential revenue sources that offer options are value-added agriculture and local food systems.

The Center will pursue opportunities to partner with others to address needs of beginning farmers, but will continue support for its core programs: FarmOn, Ag Link, individual farm financial analysis, efforts to attract retiring farmers and motivate them to pass on operations as a unit rather than in pieces. Research is needed to develop and analyze alternative business strategies for both beginning and retiring farmers.

Recommendations

The Center recommends that state and federal legislators consider the impact of legislation on beginning farmers and those contemplating retirement. The Center recommends a tax credit similar to that available to exiting farmers who lease farm business assets to a beginning farmer be extended to beginning farmers. The Center recommends an increase in its funding to expand and enhance its work. The Center budget has remained the same since its creation in 1994.

For more information, contact John Lawrence, director, ISU ANR Extension and Outreach, (515) 294-7801; or John Baker, Center attorney and administrator, Dave Baker, farm transition specialist, at (toll-free) 1-877-BFC-1999 or Andy Larson, small farms specialist at 515-294-5875. The Center website is http://www.extension.iastate.edu/bfc/.

Revised January 2013

IOWA STATE UNIVERSITY

Extension and Outreach

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Issued in furtherance of Cooperative Extension work, Acts of May 8 and July 30, 1914, in cooperation with the U.S. Department of Agriculture. Cathann A. Kress, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.